



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

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10-29-74

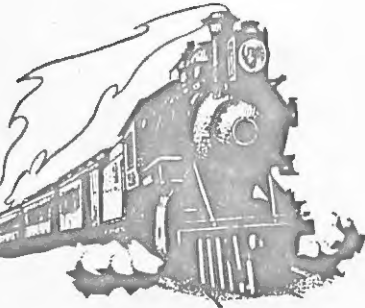
NOTICE OF SPECIAL BOARD OF DIRECTORS MEETING

A Special Board of Directors meeting has been called for Thursday, October 31, 1974, at 5:PM at the office of Ashton Oil & Transportation. The purpose for calling the meeting is to discuss progress and ramifications of potential investors.

Lowe Ashton

Lowe Ashton
President *by AB.*

*It was decided
to go to Stewarts*



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Heber Creeper, Inc.

Minutes of Board of Directors Meeting

October 31, 1974

Present:	Lowe Ashton	C.H. Nielsen	Gordon Mendenhall
	W. R. Budd	R.R. Green	J. R. Edwards
	Delbert Wallengren	J.D. Boggess	James Ritchie

Also Present: Rey L. Arnold

Rey Arnold presented an end-of-season financial report as follows:

1. Total gross income was up 69.7% over 1973.
2. Train income was up 30.6%.
3. Other than train income was up 603.2%.
4. Total expenses as of 9/30/74 were down 4.4%. As of 12/31/74 expenses are projected to exceed 1973 by several thousand dollars.
5. Wages increased 26.1% over 1973 because of additional runs in May and September; the NIGHT TRAIN; a 30% increase in engineer, firemen, and conductor wages; Bridal Veil; and the concession car.
6. Pre-tax profit showed an \$80,000 change from 1973 as of 9/30/74 and will probably hold to an increase of \$50-55,000 by year end.
7. Conclusions included:
 - a. Profitability was not in the train but in ancillary services.
 - b. Even though the season could be termed a success, there is barely enough money to last the winter.
 - c. The company needs to diversify and to extend the season to become a solid economic entity.

Lowe Ashton noted that stock certificates had been issued to all shareholders including those new shareholders who had earned stock in the "work-for-stock" program last winter.

Rey Arnold presented a tentative list of work-for-stock projects recommended for the coming winter. Gordon Mendenhall moved that the General Manager be authorized to accomplish those projects outlined and as may be deemed necessary on an identical basis as the previous year. James Ritchie seconded. Motion carried.

Lowe reported on his efforts to develop capital for expansion and diversification, noting that small investors and public offering did not prove feasible. In attempting to develop large private investors, two potential investors were located with proposals as follows:

1. Earl Worsham, Knoxville, Tennessee

Mr. Worsham proposed to raise \$600,000 in borrowed monies at 8½% for 25 years to proceed with the first phase of expansion. For this effort he would take a 3% equity position in the Creeper for his effort and expenses as well as finders and other fees to make the true cost of borrowed funds 9½ to 10%. Paramount in his proposal was the formation of a Master Concessionaire company to develop the Wasatch Mountain State Park. The Creeper would own 30% of this company.

2. Stewart-Wright-Bronson, et al

Stewart and Associates made a proposal to raise \$300,000 in equity capital for 30% of the outstanding stock in the Creeper. They also proposed to form a Master Concessionaire company for Park development with the Creeper owning 30%.

Lowe Ashton described the dilemma of trying to keep both parties interested. He also presented a comparison of both proposals as to background and various characteristics of each proposal.

James Ritchie moved that we proceed to test the offer by the Stewart group by placing a stringent time frame on receipt of money, letters of intent, and disclosure of financial backing as per the draft agreement attached to the minutes and as reflected in the letter from Lowe Ashton to their group (also attached). The restriction was stipulated that any monies received were for a proportionate number of shares of stock and not refundable should later aspects of the agreement fail. Gordon Mendenhall seconded. Motion carried.

Lowe Ashton indicated that in both instances, potential investors were hesitant because of our unusual lease arrangement for engines. He suggested the company consider arrangements to transfer at least the operating engines to the company books for debt cancellation of debt and stock. Gordon Mendenhall moved that the President and General Manager be authorized to proceed with negotiations to obtain the engines. James Ritchie seconded. Motion carried.

Lowe Ashton indicated that a number of stockholders held notes, etc. which could be converted to stock and that they may wish to exercise such conversions before any infusion of equity capital. Lowe Ashton further inquired whether any stockholders may wish to make further cash investments prior to the capital infusion. Delbert Wallengren pointed out that such investments would have to be approved by a general meeting of stockholders.

Delbert Wallengren again raised the question of stock options for the original investors. Lowe reminded the board that legal counsel on a number of occasions had recommended against such options when the eventual objective was to go public. He also felt the objections would be identical to a large potential investor.

General discussion concerning the necessity to clear up all old "deals" including the land under lease at the depot site ensued.

Delbert Wallengren moved for adjournment. R.R. Green seconded. Motion carried.